(ii) A number of fiscal concessions have been provided to the handloom sector in order to mitigate the hardship faced by it *vis-a-vis* the powerloom sector. Further, 22 items have been reserved for exclusive production in the handloom sector through the Handloom (Reservation of Articles for Production) Act, 1985. The Act and Orders issued thereunder have however been stayed by Supreme Court of India. Vigorous steps are being taken to vacate the stay.

(iii) Government of India have constituted a high powered Committee to review the progress of implementation of the Textile Policy, 1985. The Committee is also expected to make an assessment as to how far various measures devised in the policy for protecting of handloom have been effective in achieving their objectives.

Extension of Line of Credit by Exim Bank of USA to its Indian Counterpart

215. SHRI GOPALA RAO RAO : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Export-Import Bank of the United States has agreed to extend a line of credit of US $ 10 million to Exim Bank of India; and

(b) if so, the details of the agreement and the rate of interest to be paid by the Exim Bank of India to the US Bank on the credit amount?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) The broad outline of the agreement is as under :

1. Name of the Lender	The Export-Import Bank of the United States Washington DC.
2. Borrower	Export-Import Bank of India
3. Purpose	To finance third country imports in overseas projects being executed by Indian exporters.
4. Eligible end-users	Indian exporting companies executing overseas projects.
5. Currency	US Dollars
6. Amount of Credit	US$ 10 million
7. Effective date of line of credit agreement	June 12, 1989
8. Rate of Interest	Base rate plus margin.
	Base Rate: OECD consensus rate for India prevailing at the time of authorisation of each sub-loan (currently the rate is 8.3%).
	Margin: As may be determined by Exim Bank of India.
9. Repayment	In not exceeding 10 equal successive Semi Annual Instalments.